

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
WACO DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

V.

**ROY HILL, ERIC N. SHELLY,
CLEAN ENERGY TECHNOLOGY
ASSOCIATION, INC., and
FREEDOM IMPACT CONSULTING,
LLC,**

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CIVIL ACTION NO. 6:23-cv-00321

Defendants.

**DEFENDANT ROY HILL'S SUPPLEMENT TO RESPONSE OBJECTING TO
RECEIVER'S MOTION FOR INSTRUCTIONS CONCERNING CETA LIQUIDATION
AND INTERIM DISTRIBUTION**

COMES NOW Defendant Roy Hill (“Mr. Hill”) who files this supplement to his response objecting to Receiver Albert C. Black III’s (“Receiver”) Motion for Instructions Concerning CETA Liquidation and Interim Distribution (“Motion”) and would show the Court as follows:

1. On May 6, 2024, Mr. Hill filed his Response Objecting to Receiver’s Motion for Instructions Concerning CETA Liquidation and Interim Distribution. [Dkt. Nos. 75 & 80].
2. Mr. Hill’s response included a letter and affidavit from Mr. Douglas Matheny. [Dkt. 80, Ex. 2]. Mr. Matheny represents buyers’ groups in the coal and gasification industry.
3. Mr. Hill is now in possession of a second letter from Mr. Matheny stating that, in furtherance of getting the CETA equipment up and running, and to facilitate visits from interested buyers, “either myself and/or the buyers’ groups would be willing to pay the costs” up to \$125,000.
4. A true and correct copy of this letter is attached as **Exhibit A**.
5. The letter is sworn to by Mr. Matheny in an affidavit attached as **Exhibit A-1**.

WHEREFORE, Defendant Roy Hill respectfully asks the Court to consider the attached supplemental evidence in considering his requests for relief contained in his response objecting to Receiver's Motion.

Respectfully submitted,

/s/ David W. Klaudt

David W. Klaudt

State Bar No. 00796073

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ATTORNEY FOR DEFENDANT ROY HILL

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the above and foregoing document has been served on all parties that have appeared through the Court's electronic filing system on May 29, 2024.

/s/ David W. Klaudt

David W. Klaudt

Exhibit A

EXHIBIT "A"

DOUGLAS MATHENEY
Energy Consultant
Email: MatheneyD@gmail.com

1610 Knob Hill Road
Zanesville, Ohio 43701
Phone : (614) 783-4266

May 23, 2024

To Whom It May Concern:

It is time to move forward with me bringing in the coal companies and their representatives for an operation set of site visits so purchase, license and other transactions can begin to take place. You know we have been trying to come for this purpose since May of 2023.

I know there's been some talk about why we waited so long and if I knew the equipment worked why I would need to come see it work again.

It is true I know the equipment works and have seen it work before on several occasions. The specific coal companies that are seeking a rather large investment in the equipment, patents, and products need to know not only that it works, but that it "still works properly" after the way it was shut down and as I understand it not winterized properly for extended shutdowns.

After what happened in May and June of last year it took me a while to get everyone reinterested in completing their due diligence so proper offers to purchase and license could be made. The political climate of late has certainly helped with that more recently.

This is sort of like which came first, the chicken or the egg situation. The Receiver in this (CETA/Hill et al) case seems to want to sell everything for the most part for scrap. On the other hand, I feel very confident that it is worth a lot more money than that.

However, unless the Plant is fired up and tested after being shut down so long first to be sure repairs are not needed and then after that site visits set up for the buyers groups the value of the CETA Estate is going to be diminished substantially in my opinion because no one is going to pay what it is really worth without seeing it in operation.

This process could take several months to get the Fairfield Plant fired up, tested for operations ability just to begin with.

Perhaps the problem is that the Receiver does not want to pay out the money that would be necessary to get the Fairfield Plant back in operation and tested for the buyers to come and make offers?

If that is in fact the case, I am sure Mr. Hill can get us a realistic number for this firing up of the Plant and hosting the needed visits. Provided this number does not exceed \$125,000.00, either

myself and/or the buyers' groups would be willing to pay the costs directly to the parties that will perform the tasks involved in this process. Because Receiverships are generally slow at reimbursement of funds to those that perform the actual work, we would want to pay the costs directly ourselves.

It is hard for me to guess on what it will cost and what needs to be done to the firing up and the operations process, but, things that do immediately come to mind without a discussion with Mr. Hill include energizing the utilities and communication systems, inventory of valves, fittings, pass throughs, thermal couples, heating elements, raw coal to process from Montana and Wyoming, all operating servers with hard drives in them that were in the control room so they can all be tested.

In the event equipment like forklifts and Bobcats are no longer available we would need to rent those for several months at our expense.

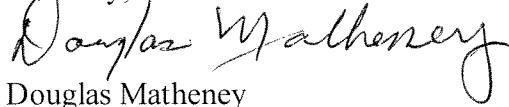
Unknown at this time, until all this is done to see if any re-programming will be necessary, or repairs need to be made because of the shutdown method used in this case for all to be operational.

With respect to personnel that might be needed to perform the startup and actual operations for the necessary visits I would be depending on Mr. Hill to advise me who might be needed and when. We would also want to pay these people directly ourselves.

This whole process will likely take several months to get back to the operating standards needed.

Please let Mr. Hill know when we are ready to proceed so he can prepare a cost estimate and timeline to move this very important matter forward.

Sincerely,

A handwritten signature in black ink that reads "Douglas Matheney". The signature is written in a cursive, flowing style.

Douglas Matheney

Exhibit A-1

AFFIDAVIT OF DOUGLAS MATHENEY

STATE OF OHIO

COUNTY OF MUSKINGUM

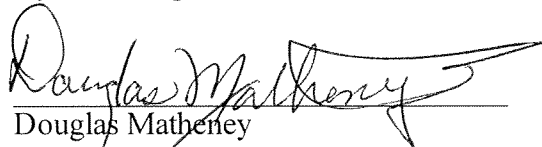
Before me, the undersigned authority on this day personally appeared Douglas Matheney, and after being duly sworn, deposes and states as follows:

My name is Douglas Matheney. I am over the age of 18 years old, legally competent, and my current address for the purpose of this affidavit is 241 South Main Street, City of Malta, State of Ohio, with a zip code of 43758.

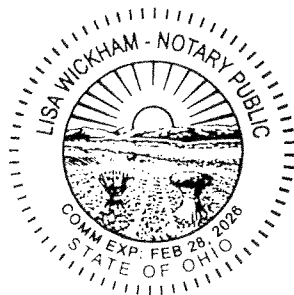
I further state that the letter attached hereto as Exhibit "A" is my letter and my signature to that letter.

Further affiant saith not.

I hereby swear and affirm that the information above is true, accurate and complete to the best of my knowledge and belief.

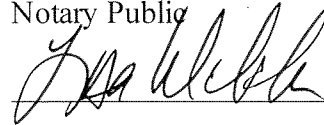

Douglas Matheney

Sworn to this the 23 day of May, 2024.



SEAL

Notary Public



Title and Rank

Notary

Date of Commission Expiration

2/28/2026